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# THE POSITION OF CANADA:

A BRIEF SKETCH OF

ITS RESOURCES AND PROGRESS.

BY

J. CASTELL HOPKINS,

*President of the Toronto Young Men's Conservative Association.*



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# THE POSITION OF CANADA.

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NATION-BUILDING is usually a slow process. The growth of European countries has been the work of centuries; the Constitution of Great Britain itself has been the result of evolution through ages of inter-necine strife or patriotic struggle. The United States as it appears to-day is the consequence of over a hundred years of experiment, experience and even civil war. Canada has, however, been more fortunate. The Colonies as they existed prior to confederation were, it is true, born of a combination of war and privation and nursed in doubt and danger, but the union of 1867 under the broad folds of the national emblem removed serious risk and enabled them to enter upon a period of material development and legislative improvement. The national heritage then presented to, or shortly afterwards acquired by, a people numbering but three millions was indeed a vast and noble possession. With a territory larger than the United States; equalling to-day one-third of the whole British Empire; having the greatest extent of coast-line; the greatest coal measures; the most varied distribution of precious and economic minerals; the greatest number of miles of river and lake navigation; the widest extent of coniferous forest; the most extensive and most valuable salt and fresh water fisheries, and probably the vastest and most fertile districts of arable and pastoral land upon the face of the globe, it is little wonder that the Canadian

people felt they had a country, as Lord Dufferin has put it, worth living for and worth dying for.

Leaving the sounding sea with its vast and valuable fisheries upon the coast of the Maritime Provinces, travelling through the historic Province of Quebec, with its antique yet prosperity-giving system of slow and sure cultivation of splendid agricultural resources ; then on through the great pivotal Province of Ontario, with its prosperous farms, its great mines of nickel and iron, and its wealthy cities, by the shores or upon the waters of great lakes that may fittingly be called seas ; on to the Province of Manitoba and the vast prairies and golden wheat-fields of the great North-West, over ground which contains untold treasures of coal, or upon rivers teeming with every variety of fresh water fish ; the Rockies are finally reached, and a brief transition through mountain grandeur lands the Canadian in the beautiful and favoured Province of British Columbia.

Even then we have not touched the fringe of the great Mackenzie Basin, where, in almost complete and primeval obscurity, lie a million square miles of territory, and resources rich enough for the home of a great nation. Across the Canadian half of the North American continent is indeed a revelation of natural richness such as can perhaps be encountered in no other part of the world. And it was to develop this territory, to knit these great Provinces together, to promote trade and intercourse, to make Vancouver the entrepot of British commerce with the Orient, to enable Canadians from the Atlantic to the Pacific to hail a united and progressive Dominion, that over a hundred millions of money was spent upon the construction of the Canadian Pacific Railway. Who dare say to-day that it was money mis-spent ? True, criticism has been rampant and opposition powerful, but nothing succeeds like success, and the 20,000,000 or 30,000,000 bushels of grain which have this year been shipped from the fertile North-West to feed the millions of the Mother Country, is alone sufficient compensation for the construction of such a great national and Imperial highway.

The promotion of trade with the East is also a most important consideration, and the fast steamship lines now

running between Vancouver and Japan, the coming connection with Australia, and the hoped-for swift steamers between Halifax and Liverpool will enable British commerce to travel over British soil and under the British flag to the furthest confines of Asia. Indeed, no more prophetic words were ever written than those penned by William H. Seward when Secretary of State under President Lincoln :—

" Having its Atlantic seaport at Halifax and its Pacific depot near Vancouver Island, British America would inevitably draw to it the commerce of Europe, Asia and the United States. Thus from a mere colonial dependency it would assume a controlling rank in the world. To her other nations would be tributary ; and in vain would the United States attempt to be her rival, for we could never dispute with her the possession of the Asiatic commerce, nor the power which that commerce confers."

To-day the C.P.R. is menacing the prosperity of American railroads, upon which were spent twice the capital and around which hovers the prestige of many years' business and experience. But competition is useless. The great natural highway of the continent is upon Canadian soil, and minor roads must necessarily become tributary to its progress.

Precedent to the building of the Canadian Pacific was the Confederation of the Provinces. Commencing with Ontario, Quebec and the Maritime Provinces, under the guiding hand and inspiration of that patriotic and far-seeing statesman, Sir John Macdonald, it was but a few years before the Dominion covered the ground from ocean to ocean, and from the great lakes to the Arctic regions. Since 1867 the scattered Provinces have become a nation : the hesitating people, spread over far-distant territories, have begun to understand the sentiment of unity, while a magnetic personality, combined with the aspirations of a patriot, have enabled the late great Canadian leader to start a rising nation upon the high-road to greatness. More he could not do, and the future depends upon the will of a people who are now being sorely subjected to alien interference and internal doubt and difficulty. Of the material prosperity thus secured within the Dominion,

there can be little real doubt, and the following table will exhibit Canadian development in the most marked manner:—

	1868.	1890.
Deposits chartered banks.....	\$32,808,104	\$137,187,515
Deposits savings banks.....	4,360,392	54,285,985
Letters and post cards sent....	18,100,000	113,580,000
Miles of railway.....	2,522	13,256
Receipts from freight.....	12,211,158	29,921,788
Fire insurance in Canada.....	188,359,809	684,538,378
Total imports and exports....	131,027,532	218,607,390
Export animals and products...	6,893,167	25,106,995
Export cheese.....	617,354	9,372,212

The progress of our trade has been equally great. In value it rose from \$131,027,532 in 1868 to \$172,405,454 in 1879, when protection was introduced, and thence increased to \$218,384,934 last year. The exports, which, in a new country, are beyond all doubt the most important branch of its commerce, increased in the following measure:—

Total exports 1868-72.....	\$283,410,368
"      " 1873-77.....	363,511,828
"      " 1878-82.....	381,402,883
"      " 1883-87.....	405,384,877

The succeeding five years, if averaged, will amount to a total of at least \$460,000,000.

The economic history of Canada is of great interest and has perhaps been the cause of more misrepresentation than that of any other country in the world. In 1855 the then Provinces of Canada entered into a reciprocity treaty with the United States by which the natural products of each country were exchanged free of duty; any products made free to the Republic being also admitted free from the Mother Country, excepting in one or two cases where an accidental preference was given, but immediately remedied. The treaty lasted until 1866, when it was abrogated by the United States and never since renewed, although many attempts have been made by the Dominion Government to obtain a modification of its principles suited to the present time. Owing to an unusual state of affairs abroad, great prosperity ensued to the Canadian farmer from the arrangement while it remained in force.

The Crimean war was not yet over when it commenced ; wheat was higher in price than ever before or since, and, as the Yankee would say, a "general boom" pervaded the land. Then followed the local expenditure upon the construction of the Grand Trunk Railway, and the Sepoy rebellion in India, while the year 1861 saw the inauguration of the terrible civil war which rent the Republic in twain, took millions from the field and plough, and made the Canadian farmer completely master of the situation.

It is not, therefore, to be wondered at that recollections of the reciprocity treaty should still have a glamour to the eyes of the farmers in the Dominion.

Confederation followed the sudden abrogation of the treaty, and the fiscal policy of the Government was a tariff averaging 17½ per cent., levied chiefly for revenue purposes. This was all right while the United States was recovering from the effects of the war, but when about 1873 and during the time that the Liberals held power, the Americans began to pour cheap goods over the seventeen per cent. tariff and practically obtained control of our markets, whilst we were debarred from theirs by duties running from thirty to forty per cent., the effects soon became evident in a depression very much greater than any prevalent in other countries. It was not, therefore, wonderful that Sir John Macdonald and the Conservative party should have carried the elections of 1878 upon the "National Policy" or proposed system of moderate protection, which it was intended should be adjusted to the changing circumstances of the hour. Since that date protection has been the platform of the people, and undoubtedly it has, combined with the unifying effects of Sir John's general policy, done much to build up the Dominion, create inter-provincial trade and expand external commerce. An analysis of the trade under these respective policies may be of interest.

#### EXPORTS OF THE BRITISH NORTH-AMERICAN PROVINCES.

Reciprocity Period 1855-66.....	\$623,922,813
Revenue tariff 1867-78.....	841,614,764
Protective " 1879-90.....	1,089,469,841

## IMPORTS OF THE PROVINCES.

First Period.....	\$ 771,549,129
Second " .....	1,091,127,887
Third " .....	1,316,091,664

It will be observed that there has been a steady increase in the trade of the country, which rose in total bulk from \$1,400,000,000 during the reciprocity term to \$2,400,000,000 under that of protection. The annual average during the thirty-five years was as follows :—

<i>Period.</i>	<i>Exports.</i>	<i>Imports.</i>
Reciprocity.....	\$51,993,567	\$64,304,094
Revenue tariff.. .	76,510,433	99,193,353
Protection.....	90,789,170	109,674,305

Of course the addition of new territory, the creation of fresh lines of communication, and the development of canal, river and lake navigation, as well as the increase of population, had a good deal to do with this progress in trade, but after making every allowance it remains obvious that the tariff change has been an important factor. The effects of this expansion in trade have been very great. Indirectly every individual has profited ; farms have dotted the whole vast country with wide cultivated areas ; artisans and manufacturers unite in building up the cities ; the North-West is growing with a rapidity fully equal to that of the Western States of the Republic ; comfort is everywhere visible and paupers almost unknown. Necessarily, the progress thus made does not contrast in flashiness with that of the United States. It has not the same "boom" element in its composition, but for all that the development of Canada has been one of sure, solid and beneficial growth ; a progress which has ensured prosperity to the humblest citizen and success to all who wish to labour for it. The growth of the cities, Montreal, Toronto, Winnipeg, Vancouver and other centres has been phenomenal, and if the National Policy of protection had done nothing else, it would have been fully justified by the industrial growth of the country. Mr. Erastus Wiman, the millionaire resident of New York, who for political motives affects Canadianism which his policy and antecedents disprove, and a gentleman who is cer-

tainly not likely to deal too leniently with the results of any line of action carried out by the Government of Sir John Macdonald, said on the first of July, 1887, that : " In the splendour of her cities, in the multitude of her public works, in the perfection of her means of communication, in the completeness of her educational institutions, in the intelligence of her people, and indeed in all that goes to make up the greatness of a nation, Canada to-day holds a position of proud pre-eminence."

Over the great railroads of Canada there also rolls a yearly-increasing weight of freight and number of passengers ; while the trade between the provinces, which can hardly be said to have had an existence prior to 1878, has developed under the protective policy with lightning rapidity, and is now estimated to exceed \$80,000,000 in value. This progress, it must be remembered, has been made in the teeth of the most strenuous opposition from within the country and the most bitter rivalry without. The party which has adopted the name of Liberal in Canada has unfortunately set itself to oppose all those great measures which the majority of Canadians believe to have built up the wealth and welfare of the country. The Canadian Pacific Railway, the enlargement of our canals and waterways, the development of our industries and protection of the interests of a youthful nation against the overwhelming competition of the American Republic, have all been contested most vehemently. The leaders have even gone to the extent of belittling the country, thus playing into the hands of the politicians and emigration agents over the border, who were only too glad to obtain aid of such a nature in misrepresenting the Dominion throughout Great Britain and Continental Europe, with a view to discouraging emigration in that direction. The tremendous magnet which a great nation of sixty millions offers has, however, not been sufficient to destroy the prosperity of the country, and although the recent census only shows an increase in ten years of half a million souls, still our people are satisfied as a whole that their time is coming.

The country has good reason for confidence. The rivalry of the United States for British emigrants and

capital is nearing its end, and our golden North-West and great mineral resources are bound to be the coming centre of attraction for the British settler and capitalist. As Lord Dufferin so eloquently remarked some years ago in words which may be applied to-day with even greater force and directness :—

“ It was hence that, counting her past achievements as but the preface and prelude to her future exertions and expanding destinies, she took a fresh departure, received the afflatus of a more imperial inspiration, and felt herself no longer a mere settler along the banks of a single river, but the owner of half a continent, and, in the magnitude of her possession, in the wealth of her resources, in the sinews of her material might, the peer of any power on earth.”

It is, however, asserted by those who have but little faith in the future of the Dominion, excepting as an adjunct to the United States, and who have no sympathy with the national and imperial aspirations of statesmen like the late Sir John Macdonald, that this progress has only been made and this position attained by a vast and improper expenditure of public money, with the consequent undue taxation of the people. The following table will reveal the comparative position of Canada and the Australian colonies, which, it must be remembered, have nearly two millions less population and not nearly so great natural resources as has the Dominion :—

PUBLIC INDEBTEDNESS.

<i>Country.</i>	<i>1880.</i>	<i>1890.</i>	<i>Per Capita.</i>
			<i>1890.</i>
New South Wales ...	\$ 74,519,595	\$253,289,245	\$214.87
New Zealand .....	123,085,565	184,898,305	298.01
Queensland .....	66,245,430	129,204,750	333.46
South Australia.....	49,330,000	102,177,500	321.00
Tasmania .....	8,683,848	22,335,345	147.46
Victoria.....	102,538,500	179,614,005	161.63
Western Australia...	1,692,161	6,509,736	150.23
	\$431,695,099	\$858,028,886	\$ 47.51
Canada.....	175,194,000	237,533,212	

Of course in Australasia the railways are largely owned by the State, and in Canada this is not the case, excepting in one or two instances. The amount, however, of \$110,-

000,000 spent on railways since Confederation cannot be considered unduly large when the construction of that stupendous work of engineering skill, and public as well as private enterprise, the C. P. R., is remembered. Nor has the annual expenditure been excessive. With all the vast extent of country requiring development, an area, indeed, of 3,315,647 square miles, extending north 1,400 miles from the great lakes, and east and west 3,500 miles, and with the amount of progress which has been already made, it can be considered little less than marvellous that the expenditure should have only increased from \$4 per head in 1868 to \$6.90 in 1890, while during the same period the revenue rose from \$4.05 to \$7.69. Compare this rate of expenditure with the Australian average of \$35 per capita, the British average of \$10.90, or that of Cape Colony at \$11.38, and it cannot be said that the Dominion has been unduly extravagant.

Such is the material record of Canada given to a very limited degree. Of its potential power no man can adequately prophecy, but one assertion may be made with safety and accuracy. It presents the most fertile wheat-fields, the most boundless prairies, the most beautiful scenery, alternating between the sombre, the grand and the lovely, together with the broadest liberty of action and freedom of Government to be found in any part of the world. Better, indeed, than any attractions the United States can offer, and it would be well for the British investor if he would realize this fact and cease putting his money in the hands of American speculators, or Argentine rogues; cease building up foreign nations and turn instead to the colonies. There he would find abundant means of making money in security, while building up not only a United Kingdom at home but a United Empire abroad, by the all-powerful, unifying and vivifying forces of capital and credit.

Here the British emigrant or capitalist is a citizen at once. In the States, as the *Chicago Tribune*, the chief newspaper of the West, told Mr. Scully—an Englishman who owns large tracts of land in Illinois—the other day:—

“ Much as it may surprise him to learn it, aliens and citizens do not stand on the same footing. What the

latter are entitled to as rights, the former can only enjoy as favours. A citizen has a constitutional right to hold land, but an alien has not. He can get it only by virtue of a treaty or a State law. And, as in the case of an alien holding land, it is a license instead of a right ; it can be withdrawn whenever the power which grants the license chooses in the exercise of its sovereignty to withdraw it."

Turning, however, from this development of Canada, past and present, in the strict material sense, it would perhaps be well to glance very briefly at its political position.

Our Dominion boasts a history of which her people can well feel proud. Composed of two distinctive races who, a century ago, battled under the flags of their respective nations for the possession of a continent ; with each branch of the people proud of its past, and glorying equally in the memories of historic greatness, yet merging sentiments, apparently antagonistic, in pride of a common country and labour for its unity and welfare. Serious troubles have arisen ; leaders of one race or the other may act as fire-brands, and fan the embers of discord as Mr. Honore Mercier and others did during the Riel Rebellion in the North-West ; but, taken as a whole, the French-Canadian people are loyal, not only to British Connection and the flag of a common empire, but loyal to the country of their home, and willing to aid in its upbuilding and in its progress. At the present time the position of affairs in the Dominion is peculiar, and might, if not handled with statesmanship and care, produce at least a temporary retrogression. The questions at issue are new, and yet they may be said to be old. Confederation is settled, but, some claim, not satisfactorily. The great railway is built, and yet a commercial and fiscal policy is proposed which would direct all trade to the south instead of east and west. The National Policy, or protective tariff, has been approved by popular vote over and over again, and yet the Liberal Party wishes to create free-trade with the States and adopt the American tariff, nearly twice as high as our own, against England. British Connection is undoubtedly in the present interests of the Dominion and its maintenance a matter of vital import

to the Empire and the world, and yet there are some who would like to abrogate the union now or in the near future. For the sake of brevity and clearness, the people of the Dominion may be divided into three sections :—

I. The British element. This includes all who desire to maintain the Connection for the present, or who wish for closer relations with Great Britain in the future, and also a certain small class who dream of a possible independence at some distant date. Of this great division of the people, which, with loyal Quebec, forms at present a large majority, Sir John Macdonald was the mentor, guide and inspiration. I believe that the existing Ministry has taken up the mantle of his policy, and are trying to bear out the traditions of his name.

II. The French-Canadians. Loyal to a flag which represents to them freedom of worship and of local institutions, the French-Canadians may be depended upon, unless led away in a temporary gust of popular passion, to preserve the existing union, but will have to be educated to the appreciation of closer political relationship with the Empire. Until very recently the Premier of the Province, and head of the Local Government, was the product of that disastrous agitation which arose mid a wave of fanaticism after the hanging of the rebel Riel. Pretending that such action was taken because he was a Frenchman, Honore Mercier attained power in 1886 upon his platform of race and of revenge. As a member of the Liberal party of the Dominion, Mr. Mercier obtained the active support of Mr. Wilfrid Laurier, the leader of the Liberal Opposition at Ottawa, and has, in return, powerfully aided him in subsequent Dominion elections. As an advocate of free-trade with the United States and discrimination against Great Britain, coupled with public declarations in favour of independence, and as the leading exponent of both racial and religious fanaticism in this Dominion, Mr. Mercier cannot but be considered one of the most dangerous of the troubles which Canada has had to endure, and which she has successfully overcome. The recent elections in Quebec have, however, proven a revelation of the innate honesty and genuine patriotism of the

people, and have shown that that great Province is still overwhelmingly loyal to Canada and to the British Empire.

III. The American party. This is an element of great uncertainty. Mr. Goldwin Smith represents its literary features, and his recent work hardly leaves anything unsaid upon one side of what he terms "The Canadian Question." Mr. Erastus Wiman, of New York, is its mentor and American leader, while Sir Richard Cartwright, the practical, though not nominal, leader of the Liberal party is its chief representative in Canada. The principles of this section of the people are somewhat fluctuating and the numbers difficult to estimate. It includes those who follow Mr. Wiman in his policy of Commercial Union with the States and are willing to go the full length of tariff and internal revenue assimilation with a joint council to control the fiscal affairs of the two nations ; it includes those who fear to go as far as this, but are willing to compromise by having free-trade with the States while expressing the hope of being able to retain our present tariff (30 per cent. lower than the American) against England. Needless to say no responsible politician in the Republic will support this policy of Unrestricted Reciprocity, or as the New York *Tribune* puts it, "the creation of a back-door 4,000 miles wide for British goods to enter the States." It includes besides a small element favouring almost immediate independence, which everyone who appreciates our circumstances knows would lead to annexation very shortly, and it also includes a still smaller number of avowed annexationists.

It will thus be seen that the Dominion in a political sense has still much to do, and that the work of its founders is not yet over, if a united British-Canadian nation is to be built up on this North-American continent. That such will be the end of their labours who can doubt ? Canadians have in the past shown a strength and determination of character and a patriotism in principle which has enabled them to do much in the face of profound pessimism and of many obstacles, and so it will be in the future. Clouds may overhang the horizon of the national hopes, or injure the immediate fruition of some great aspir-

ation, but in the end matters will mend themselves and truth and honour prevail in the nation as it does in the majority of its individual members. During the last session at Ottawa, charges of wholesale corruption were flung broad-cast, with a view to injuring the Ministry which was supposed to have been weakened by the death of its great leader. That result has certainly not followed. But it has been proved lamentably true that a number of civil servants have used their positions of trust to commit various irregularities, and in some cases perpetrate blackmail, while the department of Public Works has apparently for some years past been under the malign influence and control of a set of cormorant contractors. This however is all. Public opinion is sound, the Dominion Government firm and exemplary in its punishment of offenders—high and low—and with the new regulations coming into force, our Civil Service will soon regain its reputation for purity and efficiency. How different it has been, and probably will be in the future, from that immense band of 100,000 appointees with total salaries valued at \$100,000,000 who are removable every four years in the United States under the "spoils system," may be gathered from the following description by Senator Pendleton (Dec. 13, 1881):

"The name explains it. The name opens to every thoughtful man, nay, to every man who will see, even without thinking, a vision of wrong, injustice, brutality, wastefulness, recklessness, fraud, peculation, degradation of persons and of parties, which has driven from public life much of the cultivated intellect and refined morality of the country, and fills even the most hopeful mind with sadness for much in the present and grave anxiety for the future."

The policy of the past in Canada has thus been, as a whole, patriotic and British in its inception, and Imperial in its progress and development. The great highway across the continent and the wide aspirations of Sir John Macdonald were alone enough to stamp it with such characteristics. It is well to remember, also, that Canadian protection does not discriminate against the interests of the United Kingdom, all products being taxed alike from

the different countries. Thus, fiscally, England treats Canada as she does the United States, and the Dominion treats Great Britain exactly as she does the Republic. It is wrong on both sides, but still we can hardly do otherwise with our revenue requirements and our proximity to the States until the United Kingdom modifies its fiscal system, and creates commercially a united Empire. Even as it is, our trade with Great Britain leaped up eleven millions in 1890, and decreased three millions with the States.

The future is always uncertain, but, if the instincts of an imperial race prove true, the time will come when the great Crowned republics of Britain, Australia, South Africa and Canada will unite in organized and continuous action for the common weal. Meantime, in the words of a statesman already referred to, one who voiced this sentiment in almost unequalled eloquence :—

“ Canada dreams her dream and forbodes her destiny—a dream of ever broadening harvests, multiplying towns and villages, and expanding pastures ; of constitutional self-government and a confederated Empire ; of page after page of honourable history, added as her contribution to the annals of the Mother Country and the glories of the British race ; of a perpetuation for all time upon this continent of that temperate and well-balanced system of government which combines in one mighty whole, as the possession of all Englishman, the brilliant history and traditions of the past with the freest and most untrammelled liberty of action in the present.”

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